

DIARY NOTES - 19 June

1. Ed Saunders advised me that as a result of Mr. Stans' appearance before a congressional committee the Bureau of the Budget had asked for a report from some twenty agencies including CIA on the number of people who took external training during Fiscal Year 1957 and the amount of money involved, excluding salaries. Our report is ready to go and indicates that we had 552 people in external training at a cost of \$147,060. While our report is classified "secret" I told Ed that I did not believe we could defend this on security grounds if Mr. Stans or the congressional committee chose to make it public. STATINTL

Spent an hour with Lieutenant

2. [REDACTED] who has been in charge of our [REDACTED] While he is not entirely happy about his new assignment he is willing to accept it and does not wish the Agency to intercede further in the matter. He said that since he was leaving the Agency he would like to make one recommendation about which he felt quite strongly. He thinks that the command line between [REDACTED] is an extremely fuzzy one and ~~thinks~~ puts this fuzzy situation carries through all [REDACTED] feels quite strongly that there should be a clear and distinct line between operations, including training, and logistics support. Leroy Prouty has talked to me along the same lines when I met with him on Wednesday. STATINTL

3. I noted a cable which NEA had sent to [REDACTED] telling him that he would have command responsibility for our [REDACTED]. This had not been coordinated with Logistics nor with me and I called [REDACTED] to tell him I wanted to make sure that this coordination was effected in the dispatch which is to follow. STATINTL

4. In the procurement of certain hardware Jim Garrison is going to use [REDACTED] of which I have approved. Jim talked to me yesterday about trading Sam a considerable quantity of [REDACTED] which he believes we are going to have to dump into the sea in part payment of the hardware we are going to procure through him. I authorized him to go ahead with this barter arrangement. STATINTL

5. Jim also talked to me about the possibility of transferring [REDACTED] to the Office of Logistics and we discussed whether it would be advisable to assign him as Executive Officer of Logistics or as Chief of the Supply Division to replace [REDACTED]. I told Jim that I would prefer that [REDACTED] be placed in charge of the Supply Division inasmuch as this would be a better test of his real ability. Later in the day Doug also talked to me about this possible transfer and I told him that I would approve of it and that I would prefer that he go in as Chief of the Supply Division. This is also his preference and I assume that this transfer will proceed without further ado. STATINTL

STATINTL

6. Larry Houston [REDACTED] were down to discuss some of our GEHA problems. They are not yet satisfied with the legality of our corporate structure and suggested that we consider the possibility of changing our whole concept of administering this program so as to make it an Agency function. This would do away with the Board completely unless we wanted to retain them in an advisory capacity. I told them that if we were setting this up some scratch it might be better to set it up along these lines. However, in view of the considerable heat which was generated as a result of our refusing certain CHALICE people I feel certain that this would cause a serious morale problem in the Agency and the Board would consider it vindictive. Accordingly, I told them that I thought we should continue the Board and to try to work out our problems with it at least for the present.

STATINTL

7. [REDACTED] and I met with Gk Ting Sheldon and his people to examine the personnel requirements for the OCI Signal Center. The workload in this Center has come up very substantially and is going to increase still more. OCI has only three slots for this activity and Communications has loaned them four additional men. There is actually a current requirement for ten people right now. This will increase to twelve or thirteen in not more than sixty days and may increase still further. This is brought about by the fact that six new circuits to the IAC agencies are being activated and some sixteen additional circuits will be activated in another year or so. It seems clear that Communications should assume the responsibility for operating this Center and, accordingly, it was agreed that we would transfer the three positions and people from OCI to Communications. I will have to provide Communications with the additional slots in order to put this operation on a sound basis.

STATINTL

8. Bob Macy telephoned to say that as a result of certain discussions which Chuck [REDACTED] has had with Frank Ecker he thought we should get together and discuss stockpiling and certain ideas he has about how to administer the Reserve. I will be briefed by Chuck [REDACTED] on Monday after which I am committed to call Macy and set up an appointment.

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